

STATE OF DELAWARE

PUBLIC SERVICE COMMISSION

Delaware Public Service Commission

Second Request for Proposals for

Legal Counsel Specializing in FERC and PJM Related Matters

Bid Number: **091608PSC**

Bid Closing: September 16, 2008; 3:00 p.m. EST

SECOND REQUEST FOR PROPOSALS TO PROVIDE LEGAL COUNSEL ISSUED BY THE PUBLIC SERVICE COMMISSION FOR THE STATE OF DELAWARE

Executive Summary

The Delaware Public Service Commission (“PSC”) is issuing this Second Request for Proposals (“RFP”) for the State of Delaware. The PSC seeks to engage several law firms to act as outside Legal Counsel (“FERC Counsel”) in connection with Federal Energy Regulatory Commission (“FERC”) matters as they relate to PJM Interconnection, LLC (“PJM”).

The Delaware PSC regulates the provision of Standard Offer Service (“SOS”) electric supply by Delmarva Power & Light Company (“DPL”). The price that DPL pays for supply at the wholesale level, which is passed through to its retail customers, is wholly dependent on the electric markets managed by PJM, the regional transmission operator. Consequently, PJM stakeholder processes as well as FERC proceedings that involve the PJM markets for energy and capacity substantially affect the retail prices paid by electric consumers in Delaware.

The PSC anticipates that, after conducting interviews, it will select several firms to act on behalf of the PSC as authorized FERC Counsel. As needed, from time to time, the PSC will engage one of the authorized FERC Counsel to provide legal services consistent with the scope of this RFP related to certain FERC and PJM matters.

This RFP will define the scope of the work to be performed, the requirements the vendor (“Vendor”) must address, the method for response and the administrative requirements that must be followed. The PSC will advise potential Vendors of changes to any dates as may be necessary. The PSC also reserves the right to modify and/or cancel this solicitation at any time during the RFP process.

RFP Schedule

ID	Date/Time	Activity
1	August 22, 2008	Request for Proposal issued and Posted on PSC website.
2	September 5, 2008	PSC issues answers to questions regarding the RFP via PSC website at http://depssc.delaware.gov/ .
3	Sept. 16, 2008; 3:00 p.m. EST	RFP Response due date
4	October 1, 2008	Begin Vendor Interviews (subject to change)
5	October 10, 2008	Begin Negotiations (subject to change)
6	October 24, 2008	Contract awarded (subject to change)

All interested firms should submit an original and 10 bound copies of their proposals ("Proposal") to the contact person. Proposals may be mailed or hand-delivered for receipt no later than 3:00 p.m. EST on September 16, 2008 ("Closing Date"). All timely Proposals become the property of the PSC. Requests for extensions of the Closing Date will not be granted. Any Proposal, request for modification, or request for withdrawal received after 3:00 p.m. on the Closing Date is late and may not be considered. The Proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), U.S. Mail, or by hand. Proposals shall be submitted to:

State of Delaware
Public Service Commission
ATTN: Karen Nickerson, Secretary
861 Silver Lake Blvd.
Suite 100 Cannon Building
Dover, DE 19904

Each proposal must be accompanied by a transmittal letter, which briefly summarizes the proposing firm's interest in providing the required professional services. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP, which the applicant may have taken in presenting the Proposal. PSC reserves the right to deny any and all exceptions taken to the RFP requirements.

The cost of preparing Proposals will be borne solely by the offerors. Proposals shall address all the questions posed by the PSC in the order in which they appear in this request.

RFP Designated Contact:

Please submit all questions and requests for information to:

Cynthia L. Collins
Deputy Attorney General
Carvel State Building
820 N. French Street, 6th Floor
Wilmington, Delaware 19801

Direct Dial: (302) 577-8405
Fax: (302) 577-6630
Email: Cynthia.Collins@state.de.us

All questions submitted, along with answers will be consolidated into a single Q&A document. The source of the questions will not be disclosed in the document. The Q&A document will be posted on the PSC website at <http://depsec.delaware.gov/>.

1.0 GENERAL INFORMATION**1.01 Project Scope and Objectives**

This RFP seeks to retain the services of FERC Counsel to provide advice with respect to FERC matters involving the PJM wholesale electric markets and to represent the PSC, when needed, in such matters.

1.02

Selected FERC Counsel will work closely with the Deputy Attorney General (“DAG”) assigned to act as general counsel to the PSC. From time to time, the DAG may refer selected FERC Counsel to work directly with PSC Staff, including the PSC Director, Deputy Director, and Regulatory Policy Administrator for Energy. All advice is to be provided directly to the DAG or to one of these members of PSC Staff, as referred by the DAG.

2.0 MINIMUM REQUIRED QUALIFICATIONS**2.01 Experience and Reputation**

- A. The law firm must have been in business at least three years.
- B. The law firm should have at least five (5) or more year’s prior experience in representing clients before the Federal Energy Regulatory Commission.
- C. The law firm must designate a lead attorney licensed to practice law with five (5) or more years experience in FERC related matters or regulatory issues related to energy.

2.02 Professional Liability Insurance

The Vendor shall agree to maintain in full force and effect during the term of the Contract professional liability insurance in an aggregate amount of not less than \$2 million. In order to satisfy this requirement, the Vendor must:

- A. Include a statement in its Proposal affirmatively responding to this requirement; and
- B. Include in its Proposal either:
 - 1) A certificate of insurance or letter from its insurer demonstrating that the Vendor meets this requirement, or

- 2) A commitment letter or other evidence, satisfactory to the Procurement Officer, that Vendor will have such coverage as of the date the Contract commences.

If the Vendor is a joint venture, and one party of the joint venture does not presently have such liability insurance, this requirement may be satisfied if the members of the joint venture include in their proposal evidence, satisfactory to the Procurement Officer, that all members of the joint venture will have such coverage as of the date the Contract commences, either through actual insurance policies or an indemnity agreement by the properly insured firm, in form and substance acceptable to the PSC.

2.03 Vendor's Capacity

Each Vendor must demonstrate the capacity to perform the type of services needed by the PSC described in Section 1.01 above. The Vendor must be available at all times to render services required under the Contract.

3.0 TECHNICAL PROPOSAL FORMAT

The following information shall be provided in each proposal in the order listed below. A Vendor is expected to provide a response for each requirement listed in this RFP. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the PSC.

3.01 General

All technical proposals shall be prepared with a concise description of the Vendor's capabilities to satisfy the minimum qualifications of Section 2 above and the information requested under Section 3 below. Vendors should organize their proposals so that their responses correspond to the specific subsections to the extent possible without unnecessary repetition.

3.02 Required Information

The proposal shall contain the information described below. Joint ventures should provide the information separately for each firm.

A. Vendor's Prior Experience

1. General Information:

- (i) Within the past three years, have there been any significant developments in your firm such as changes in ownership or restructuring? Do you anticipate any significant changes in the future? Please describe.

- (ii) Has your firm or an attorney in your firm's employ even been disciplined or censured by any regulatory body? If so, describe the principal facts.
- (iii) Within the last five years, has your firm, or a partner or attorney in your firm, been involved in litigation or other legal proceedings relating to provision of legal services? If so, provide an explanation and indicate the current status or disposition.
- (iv) Please describe your firm's backup procedures in the event one or more attorneys assigned to PSC leave the firm. Identify the key attorney who will be the primary contact and lead counsel in providing services to PSC, whose continuing status as such is an essential element of this contract.

2. Electric Regulation Experience:

- (i) Provide a detailed description of the Vendor's experience in FERC related matters during the last five (5) years, including any involvement with issues relating to PJM's tariff or operating agreement.
- (ii) Describe the Vendor's experience in the last five (5) years representing or advising public sector clients in electric regulation matters.
- (iii) Provide a brief description of areas of the law related to the purpose of this RFP in which the Vendor has an expertise, including, but not limited to, administrative law, contract law, and energy law.

B. Conflicts of Interest.

- 1. In general. If a conflict of interest arises, the Vendor should be willing to continue to represent the PSC and be in a position to inform other existing or potential clients that they must find representation elsewhere in particular situations. The Attorney General may entertain a request for a waiver of a Vendor's representation of a party in litigation involving a unit of State government other than the PSC, but does not expect to waive any other conflicts.

The PSC reserves the right, in its sole discretion, to select another approved law firm to work on a particular matter if a conflict is not resolved to its satisfaction.

Each Vendor shall identify any conflicts of interest which may arise if the Vendor serves as FERC Counsel and shall describe in its Proposal how it proposes to deal with such conflicts. Conflicts may arise not only from attorneys names on the contract but also from representation of parties involved in the transactions or other matters involving the PSC by any member of the firm, regardless of whether that attorney is in the same office or a different office of the firm.

4.0 PRICE PROPOSAL FORMAT

4.01 Billing Rates

- A. Current billing Rates for all attorneys assigned to represent the PSC pursuant to this RFP;
- B. Current billing Rates for all para-professionals assigned to represent the PSC pursuant to this RFP;
- C. No compensation will be permitted for the services of law clerks and law school graduates not admitted to practice.

4.02 Alternative Pricing Proposals

Although each Vendor is required to submit a price proposal containing the information set forth in Part 4.0, the PSC will also accept proposals for alternative billing arrangements, which enhance the value and efficiency of the services to be provided. The Vendor may submit a statement, not more than one page in length, with respect to any alternative pricing proposal.

5.0 EVALUATION OF PROPOSALS

The selection committee shall evaluate the proposals. During the evaluation process the selection committee may, at its discretion, request any or all firms to make oral presentations or participate in a formal interview. Such presentation or interviews will provide firms with an opportunity to answer questions about a firm's Proposal. Not all firms may be asked to make an oral presentation or to attend an interview.

5.01 Selection Criteria

The selection of the firm to provide legal services will be based on an evaluation of the Proposals to determine which Proposal reflects the best value to the PSC, with technical factors generally being considered more important than cost of services. The selection of the firm to provide legal services will be based upon the following technical factors in descending order of importance.

- A. Experience of the firm and the individual attorneys representing clients in FERC-related matters;
- B. Experience with or knowledge of PJM markets;
- C. Experience of the firm and the individual attorneys representing governmental agencies generally;
- D. Administrative structure of representation (i.e., proposed staffing assignments), soundness of approach to representation and understanding of the needs of the PSC;
- E. Demonstrated ability to perform the services referred to under Project Scope and Objectives, and
- F. References and recommendations of other clients.

5.02 Contract Negotiation

The PSC intends on opening negotiations with Vendors that the PSC determines have a reasonable likelihood of being awarded a contract based on the proposals that are submitted. Negotiations will focus on any technical weaknesses or deficiencies in proposals as well as cost and pricing issues.

A written contract with each of the selected the law firms will be required. Each contract must be approved by the Attorney General of the State of Delaware and the Governor of the State of Delaware pursuant to 29 *Del. C.* § 2507.

5.03 Contract Award

The PSC reserves the right to award all, part, or none of this contract. The PSC intends to award contracts to more than one law firm if deemed appropriate and desirable.